

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF MAYFIELD SERVICE)	
CORPORATION, FOR A RATE ADJUSTMENT)	CASE NO.
PURSUANT TO THE ALTERNATIVE RATE)	89-186
FILING OF PROCEDURE FOR SMALL)	
UTILITIES)	

O R D E R

On July 3, 1989, Mayfield Service Corporation ("Mayfield") filed an application for Commission approval of a proposed increase in its rates for sewer service. Mayfield proposed rates for sewer service which would generate additional annual revenues of \$9,333 annually, an increase of 96.23 percent.

By Order dated September 29, 1989, in Case No. 89-212,¹ the Commission approved the transfer of Mayfield to Purchase Area Development District ("Purchase"). Hereinafter, Mayfield shall be referred to as Purchase.

In August 1989, the Commission Staff conducted a field review of Purchase's test-period financial records. Based upon this review, Commission Staff issued a report on November 2, 1989 recommending a \$10,345 increase in Purchase's annual operating revenues for sewer service.

¹ Case No. 89-212, The Application of Republic Savings Bank (Formerly Mayfield Service Corporation) to Transfer a Sewage Treatment Facility Serving Thomas Country Estates Subdivision to Purchase Public Service Corporation.

By letter dated November 2, 1989, the Commission advised Purchase that comments on the Staff Report or requests for a public hearing must be submitted no later than November 17, 1989, or this case would stand submitted to the Commission for decision. On November 6, 1989, Purchase filed a response accepting the Staff Report.

The Commission, after consideration of the evidence of record and being otherwise sufficiently advised, finds that:

1. The recommendations and findings contained in the Staff Report are supported by the evidence of record, are reasonable, and are hereby adopted as the findings of the Commission in this proceeding and are incorporated by reference as if fully set out herein.

2. The rate in Appendix A, attached hereto and incorporated herein, is the fair, just, and reasonable rate for Purchase and will produce gross annual revenues of \$20,044 for sewer service based on adjusted test-year sales. This rate will allow Purchase sufficient revenues to meet its operating expenses, service its debt, and provide for future equity growth.

3. The rates proposed by Purchase would produce revenue increases inadequate to meet Purchase's operating expenses and maintain a small reserve fund and should be denied upon application of KRS 278.030.

IT IS THEREFORE ORDERED that:

1. The rates proposed by Purchase in its application are hereby denied.


2. The rate in Appendix A is approved for service rendered by Purchase on and after the date of this Order.

3. Within 30 days of the date of this Order, Purchase shall file with the Commission its revised tariff setting out the rate approved herein.

Done at Frankfort, Kentucky, this 20th day of November, 1989.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman

Commissioner

ATTEST:

Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 89-186 DATED November 20, 1989.

The following rates and charges are prescribed for the customers in the area served by Mayfield Service Corporation. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the effective date of this Order.

Flat Monthly Rate

\$27.50